

[By Neal Goswami](#)

Vermont Democratic Congressman Peter Welch has introduced legislation calling for negotiation of drug prices for Medicare Part D beneficiaries, a move he said could save billions per year over the next decade. Welch, serving his third term in the House, said in a telephone interview Monday that negotiating for lower prescription drug prices with pharmaceutical companies is "is a no-brainer" because it could save \$156 billion over a decade.

The bill would help lawmakers who are looking at ways to trim government spending and make entitlement programs more sustainable, Welch said. Republicans and Democrats are deeply divided over a GOP-backed plan that Democrats say will turn Medicare into a voucher program.

The Medicare Prescription Drug Price Negotiation Act of 2011, which is co-sponsored by Rep. Jo Ann Emerson, R-Mo., would require the Secretary of Health and Human Services to negotiate prescription drug prices on behalf of Medicare Part D beneficiaries. It would significantly lower the cost of prescription drugs for seniors, including about 110,000 Vermonters, Welch said.

Current law prohibits such negotiating because of a "sweetheart deal negotiated by [former Republican House Majority Leader] Tom Delay to benefit the drug companies." Welch said.

Although taxpayers fund more than three-quarters of the cost of the Medicare Part D drug benefit, the program has been barred from negotiating rates with the pharmaceutical industry since 2004. Taxpayers funded \$62 billion worth of drugs in 2010 for about 28 million seniors.

"It's a pretty outrageous and unjustifiable situation," he said.

Welch said the plan is based on other programs that allow for negotiating of drug prices. The Department of Veterans Affairs has significantly reduced costs through negotiating, he said. Some drugs under Medicare Part D are 58 percent higher than what the VA pays, according to Welch.

The bill is identical to a Welch-sponsored provision in the House version of federal health care reform, but was jettisoned in the Senate and not included in the final law.

Welch said he is optimistic the bill can pass this year because of a strong desire in Congress to cut spending.

"I think we've got a pretty good shot at passing it this year because there is such a focus on the budget," he said. "The total focus on the new Republican majority is on cutting spending. This is tailor-made to help them achieve that goal. It's \$160 billion in savings. I think it's a very compelling argument and it will allow those who claim they want to taxpayer money a chance to do so."